



**National
Urban League**

*Empowering Communities.
Changing Lives.*

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NATIONAL URBAN LEAGUE**

**Select Committee on Economic Disparity and Fairness in Growth
“The Nature and Consequences of American Economic Disparity”**

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Chairman Himes and Members of the Select Committee on Economic Disparity and Fairness in Growth, thank you for the opportunity to testify today at the committee’s inaugural hearing. My name is Joi Chaney, and I serve as Senior Vice President of Policy and Advocacy and Executive Director of the Washington Bureau for the National Urban League. I bring you greetings on behalf of Marc H. Morial, our President and CEO, who could not be with us today but who supports this testimony and applauds the committee in its work.

The National Urban League is an historic civil rights organization dedicated to providing economic empowerment, educational opportunities, and the guarantee of civil rights for the underserved in America. Founded in 1910 and headquartered in New York City, the National Urban League has 91 affiliates serving 300 communities in 36 states and the District of Columbia, providing direct services that impact and improve the lives of more than two million people nationwide each year.

I have spent the majority of my career working on closing racial and gender wealth gaps. I spent several years in the Office of the Chair at the U.S. Equal Employment Opportunity Commission during the Obama Administration, have worked as the director of Equal Pay Today, and continue to promote equity in employment for women and persons of color in my current role at the National Urban League. I also served as Chief of Staff to Senator Kirsten Gillibrand of New York, a champion of paid leave.

I appreciate the opportunity to share the Urban League’s perspective on “The Nature and Consequences of American Economic Disparity.” Ensuring that public policy and practice work to eliminate historical and systemic barriers to economic opportunity for African Americans and other underserved populations is vital to the mission of the Urban League and my personal mission.

Pre-Existing Disparities

For the last 45 years, the National Urban League has published the *State of Black America*®, which serves as a pulse check on the state of progress for Black people in this country. Since its first appearance in 1976 under the stewardship of the late Mr. Vernon E. Jordan Jr., the report remains one of the most highly anticipated benchmarks and sources for thought leadership around racial equality in America across economics, employment, education, health, housing, criminal justice, and civic participation. This year’s, [2021 State of Black America](#) is entitled “The New Normal: Diverse, Equitable, and Inclusive” and focusses on how our nation can recover from the three pre-

existing pandemics of systemic racial inequality in health care, the economy and public safety, beginning with Black America and toward a new normal for all.ⁱ

The COVID-19 pandemic, devastating as it is, has only exacerbated pre-existing disparities that the National Urban League and our civil rights partners have been working to close - and imploring others to join us in closing -- for more than a century. Communities of color have long faced social and racial injustices and inequities across every indicator – education, healthcare, employment, housing, and small business development. These disparities have resulted from our nation’s history of exclusion of Black people, Native people, and other communities of color from economic opportunity, dating back to this nation’s original sins of colonization and slavery. Indeed, systemic inequity has been baked into policy and practice at the federal, state, and local levels in this country. This has resulted in:

- **Vast inequities in our health care system:** In 2019, 73.7% of uninsured adults said that they were uninsured because the cost of coverage was too high.ⁱⁱ While a plurality (41.1%) of the uninsured are non-Hispanic White people, in general, people of color are at higher risk of being uninsured than White people. People of color make up 43.1% of the nonelderly U.S. population but account for over half of the total nonelderly uninsured population (Figure 4).ⁱⁱⁱ People of color also face disparities in the health care delivery system when they seek medical intervention.
- **An education system that underserves Black children and children of color.** Students of color are:
 - more likely to attend high poverty schools than their White peers;^{iv}
 - less likely to have access to high rigor courses like AP, IB, and STEM;^v
 - less likely to have access to high-quality teachers;^{vi}
 - less likely to have access to high-speed internet and technological devices;^{vii}
 - less likely to have social and emotional learning supports and positive behavioral interventions;^{viii} and
 - are more likely to have more police and/or school resource officers than guidance counselors.^{ix}
- **A biased employment landscape** that pays people of color, particularly women of color, at rates far lower than their white male peers, regardless of level of education; discriminates against people of color in hiring and promotion practices; and inequitably compensates fields dominated by people of color or otherwise ensures people of color are concentrated in low paying fields. This makes accessing a living wage with good benefits—which the National Urban League believes is the path to economic empowerment—much more difficult for Black workers and other underserved and historically marginalized individuals.

Black women make just 63 cents for every dollar paid to white, non-Hispanic men,^x yet 80 percent of Black mothers are the sole, co-breadwinners or primary breadwinners for their households. Black men also make less than their White male counterparts, placing a significant strain on Black families. In fact, the real median income for black households is estimated at \$45,000 compared to \$76,000 for white, non-Hispanic households.^{xi} We also know that income is not a measure of wealth. The Black-White wealth gap in this country is far greater – the

wealth of White families is almost ten times that of Black families as of 2016, well before the pandemic.^{xii}

Moreover, Black Americans are also more likely to be unemployed – almost twice as likely, receive smaller unemployment insurance benefits, and remain unemployed for far longer.^{xiii} As one of my predecessors Dr. William Spriggs has noted – with the exception of the earliest days of the pandemic -- this unemployment ratio has persisted.^{xiv}

- **Housing insecurity and homeownership inequity for Black Americans.** Housing costs in America now constitute the single largest expense for U.S. families, and paychecks simply haven't kept up with cost of living – particularly when it comes to rent. More than half of all Black and Latino renters remain unable to save money at the end of each month after paying for food and medication, leaving them unable to afford a down-payment to pay for a mortgage even when they have the sufficient income to cover the debt. In many cases, these families are paying higher rent payments than they would otherwise pay on a mortgage.

Meanwhile, decades of decreased federal housing investments have had a devastating impact on the ability of our nation's most vulnerable citizens to live in safe and decent housing, while increasing competition for existing housing stock and driving up housing costs. Evictions and unpaid rental bills can have serious and long-term negative impacts on households, including damage to their finances and records that can take years to repair and housing instability or homelessness that disproportionately harms the health and well-being of young children. In the wealthiest country in the world, at least half a million people – including more than 100,000 children – are homeless on any given night in the United States. A disproportionate number are in communities of color.

Equally troubling is the widening gap in the homeownership rate between Black and White households in America, and the fact that the nation's share of lower-income homeowners continues to shrink each year. In the second quarter of 2021, the Black homeownership rate stood at 44.6 percent, and the White homeownership rate stood at 74.2 percent. For context, the homeownership gap between Black and white Americans has ranged between 20 and 30 percentage points for nearly 100 hundred years. Each year, an estimated 4 million instances of housing discrimination continue to occur, the vast majority of which go unreported.

Moreover, nearly 3 in 4 U.S. households eligible for federal housing assistance are turned away due to a lack of funding. At the same time, the private market has failed to meet the housing market demand for increased affordable housing supply, making clear the need for federal government's engagement in addressing this ballooning crisis.

- **Disproportionate challenges faced by minority-owned small businesses.** Main street establishments—beauty shops, barbers, neighborhood cafes, and specialty services—have long been the lifeblood of our Nation's communities of color. Unfortunately, these businesses have historically faced significant challenges accessing the credit opportunities they need to grow. As was acknowledged by the Minority Business Development Agency in 2010, minority-owned firms are “smaller on average than non-minority-owned firms with lower gross receipts, survival rates, employment, and payrolls.”^{xv}

The Pandemic's Consequences

Given that this is where we were pre-pandemic, it is unsurprising that Black America and other communities of color are bearing the heaviest burden of sickness and death, economic disparity, and racial injustice during the COVID-19 pandemic.

- Black people are more likely to contract COVID-19, because of a higher incidences of preexisting conditions and an increased likelihood of working on the frontlines. And compared to White Americans, Black Americans are nearly 3 times as likely to be hospitalized and over 2 times as likely to die as a result of contracting the coronavirus. The Latino community faces similar disparities.^{xvi}
- Even as frontline workers were more likely to be people of color, they were also still more likely to work in fields with the highest layoffs due to the pandemic. Moreover, they were less likely to have the savings needed to weather unemployment, even with direct payments from the federal government and expanded unemployment insurance.^{xvii}
- Minority owned businesses were also disproportionately devastated by the pandemic. A study by the New York Federal Reserve found that, due to lack of reserves, banking relationships, and access to Paycheck Protection Program opportunities, 41%, 32%, and 26% of Black, Latino, and Asian-owned small businesses, respectively, were forced to shut down between February and April 2020 compared to just 17% of white businesses during the same period.^{xviii} And it is feared that these business of color are far less likely to reopen post the pandemic.
- Moreover, while all students have suffered from interruption in instruction, students of color and students from low-income families—who are more likely to receive virtual instruction but less likely to have access to sufficient broadband and devices needed to access virtual learning—have borne the brunt of the pandemic academically. As was noted in our [Homework Gap report](#),^{xix} Black children are more likely than their White counterparts to lack the internet access and the devices necessary to receive adequate remote instruction, a term we call “the homework gap.” This gap affects 1 in 3 Black, Latino, and American Indian Alaska Native students.
- Families also faced housing challenges, as economic uncertainty of the pandemic has exposed renters— a majority of whom are people of color—to the constant threat of housing instability and eviction.

And while not the focus of this hearing, Black Americans must endure the health challenges and economic stress of the pandemic while being constantly reminded of the structural and individual racism that exists in our nation – whether on the street, on the internet, in the halls of power, at the ballot box, or in our criminal justice system.

Conclusion

There is an overwhelming desire to “get back to normal.” Given the litany of disparities that defined our pre-pandemic “normal,” we cannot—and must not—return to “normal.” We are called to reimagine a “new normal” and forge a new, diverse, equitable and inclusive future.

To that end, the National Urban League supports a variety of policy solutions and priorities that would work towards building an equitable economic system with fewer economic disparities and fairer growth. Many of these solutions are reflected in our 2017 State of Black America’s [Main Street Marshall Plan](#)^{xx} and have been embraced by the Biden Administration. Additionally, we encourage the White House and the Congress:

- To raise the federal minimum wage to \$15 per hour and strengthen the social safety net through ensuring adequate unemployment insurance benefits, paid family and medical leave, affordable childcare, and affordable housing;
- To expand access to capital for minority owned businesses, invest in minority owned banks and community development financial institutions (CDFIs), and demand accountability from major financial institutions;
- To expand access to government contracting opportunities for minority owned businesses, including through the upcoming infrastructure package;
- To close the digital divide, beginning with ensuring access to a broadband benefit for those who cannot afford it;
- To invest in Title I schools hardest hit by the pandemic;
- To use federal authority to deter and remedy discrimination in housing, employment, and education;
- To invest in down-payment assistance and other homeownership programs aimed at expanding wealth in communities of color; and
- To invest in workforce development and entrepreneurship programs – the heart of the Urban League movement’s direct services.

Each of these actions would bring about a new equitable normal that closes our disparities, embraces our diversity, and secures America’s position as a world leader— as that shining city on a hill— for generations to come. We are not there yet; COVID-19 has made that painfully obvious. But the pandemic of the last year and the political unrest of the last several years has also reminded us that we are resilient. We are still here, and we have and can overcome anything together, as long as we do not leave anyone behind. The National Urban League looks forward to working with this committee toward that end.

Thank you for the opportunity to testify, and I welcome your questions.

ⁱ <https://soba.iamempowered.com/>

ⁱⁱ <https://www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/>

ⁱⁱⁱ <https://www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/>

^{iv} <https://www.epi.org/publication/schools-are-still-segregated-and-black-children-are-paying-a-price/>

^v <https://www.jbhe.com/2019/08/the-racial-gap-in-participation-in-high-school-ap-ib-and-dual-enrollment-programs/>

^{vi} <https://www.epi.org/publication/the-teacher-shortage-is-real-large-and-growing-and-worse-than-we-thought-the-first-report-in-the-perfect-storm-in-the-teacher-labor-market-series/>

^{vii} <https://nul.org/news/new-analysis-shows-students-color-more-likely-be-cut-online-learning>

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- viii <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5142755/>
- ix <https://tcf.org/content/commentary/school-policing-racially-discriminatory/?agreed=1>
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